KENYA RAILWAY CORPS

FINANCING ARCHITECTURE

A $12.6 Billion Infrastructure Investment Prospectus

East Africa's Standard-Gauge Rail Backbone

Republic of Kenya · 2026

EXECUTIVE SUMMARY

The Kenya Railway Corps presents this financing architecture for the construction of 4,066 kilometres of new standard-gauge rail infrastructure connecting every corner of Kenya and six neighbouring states to two Indian Ocean ports. Total construction cost at Chinese-equivalent rates: $12.6 billion over eight years. This is not a development aid request. It is a return-generating infrastructure investment in the logistics backbone of East Africa — a network that, once operational, will carry the freight of Uganda, Tanzania, South Sudan, Ethiopia, and the Democratic Republic of Congo to the Indian Ocean.

The financing partner is not being asked to fund Kenya's development. It is being offered a stake in East Africa's logistics future. Kenya controls the corridor. The corridor is irreplaceable. The return is structural.

THE INVESTMENT CASE

The Hinterland

Kenya's two Indian Ocean ports — Kilindini/Mombasa and Lamu — serve a landlocked hinterland of approximately 300 million people across Uganda, South Sudan, Ethiopia, Rwanda, Burundi, and eastern DRC. This hinterland has no alternative deep-water port access. Every container entering or leaving this region passes through Kenya. The Kenya Railway Corps network converts that geographic reality into a rail reality — shifting freight from road (expensive, slow, destructive of infrastructure) to rail (cheap, fast, scalable) across the entire corridor.

The Freight Numbers

Mombasa port currently handles approximately 35 million tonnes per year. The port's designed capacity under full Kilindini optimisation exceeds 50 million tonnes. Lamu port, with all planned berths operational, adds a further 25 million tonnes of capacity. The road-to-rail freight conversion that the Corps network enables — even at a conservative 40% modal shift — generates freight tariff revenues sufficient to service the entire construction debt within fifteen years of network completion.

The Comparable

The Addis Ababa–Djibouti standard gauge railway, 756km, built at $3.4M/km by Chinese construction, began servicing its debt from freight revenue within four years of opening. Ethiopia's landlocked hinterland of 120 million people generates freight volumes that make the debt serviceable. Kenya's network covers a hinterland of 300 million people at two and a half times the route length. The debt serviceability is proportionately stronger.

FINANCING STRUCTURE

SOURCE	AMOUNT	% OF TOTAL	TERMS
Kenya Railway Infrastructure Bonds (domestic)	$2.0B	16%	15-year, KES-denominated, 7.5%
Kenya Railway Infrastructure Bonds (international)	$1.5B	12%	20-year, USD, sovereign guarantee
Chinese EXIM / Policy Bank (construction financing)	$5.0B	40%	20-year, 2.5% concessional — NO operational control clause
Gulf Sovereign Wealth (Saudi PIF, UAE ADQ, Qatar QIA)	$2.5B	20%	Infrastructure bond co-investment, equity in Lamu port logistics
African Development Bank / World Bank concessional	$1.0B	8%	30-year, 1.25%, tied to procurement transparency compliance
Kenya Protected Appropriation (1% GDP × 8 years)	$0.6B	5%	Equity contribution, no debt service
TOTAL	**$12.6B**	**100%**	Blended rate: ~3.8% over 20 years

Non-Negotiable Financing Conditions

Every financing agreement for the Network shall be conditional on the following, without exception:

- No operational control provisions: no financing partner shall hold any right to operate, manage, or direct the operations of any part of the Network or associated port infrastructure as a condition of the financing.
- No sovereign asset collateral: no port revenues, customs receipts, or sovereign assets shall be pledged as collateral. Debt service security shall be provided solely by Network freight revenues, backed by a government completion guarantee.
- Knowledge transfer compliance: all construction financing from state-owned entities shall be subject to mandatory knowledge transfer schedules embedded in construction contracts, verified by the Training Command.
- Procurement transparency: all financing agreements shall include a compliance condition requiring publication of all contract awards and payments on the Corps real-time transparency platform.

REVENUE MODEL

REVENUE STREAM	YEAR 3	YEAR 6	YEAR 10
Freight tariffs (domestic + transit)	$180M	$620M	$1.4B
Port throughput fees (Mombasa + Lamu)	$90M	$280M	$580M
Fibre right-of-way leases	$30M	$85M	$160M
Land value capture (station precincts)	$20M	$120M	$340M
Passenger revenue	$40M	$110M	$220M
TOTAL ANNUAL REVENUE	**$360M**	**$1.2B**	**$2.7B**

Annual debt service on $12.6B at blended 3.8% over 20 years: approximately $900M. The network reaches debt service coverage of 1.0x by Year 6 and 3.0x by Year 10. Full debt retirement is projected by Year 20.

THE ISIOLO INLAND DEPOT

A dry port and logistics hub at Isiolo — the network's geographic pivot point — will serve as a buffer between the inland network and the coast ports, absorbing freight consolidation, customs pre-clearance, and container marshalling functions. Modelled on Rotterdam's inland depot system, the Isiolo depot decouples inland network capacity from port congestion, allowing both systems to operate at full efficiency independently. The depot is the single highest-return ancillary investment in the network and should be financed and commissioned in Phase 1.

THE PITCH IN ONE PARAGRAPH

You are not being asked to fund Kenya. You are being offered a stake in the logistics infrastructure that will move 300 million people's trade to the Indian Ocean for the next century. The corridor is geographic destiny. The network makes it economic reality. Kenya Railway Corps builds it, owns it, operates it — and pays you back from the freight revenue it generates. No operational control. No sovereign asset collateral. A clean infrastructure bond backed by the most strategically irreplaceable rail network on the continent.